

Organisation Internationale des Constructeurs d'Automobiles International Organization of Motor Vehicle Manufacturers

OICA's role and position in the global auto world

Paris, 28 November 2011

OICA herewith wishes to clarify its organisation, role and policy following some recent misconceptions and misquotations published in the press.

Founded in 1919, OICA is so to speak the "alliance of the Alliances", in other words it groups the various national automobile associations from all over the world, spreading from most European countries to embrace also the United States, Brazil, Argentina, Russia, Japan, South-Korea, China, South Africa, and many more countries or regions. The US Alliance of Automobile Manufacturers joined OICA back in 1958, is a long-standing member of its Board of Directors, and even regularly chaired OICA (as an example, Honorable Dave McCurdy, then CEO of the Alliance, was OICA President in 2009-2010).

One of the key activities of OICA is within the technical regulatory field, OICA being the sole representative of the auto manufacturers at the United Nations, in particular its "World Forum on the Harmonization of Vehicle Regulations", also called WP.29, grouping the global governmental community.

The auto manufacturing community and its suppliers is indeed probably the most regulated sector in the world. These regulations are not, as is the case in many other industrial sectors, based on voluntary industry standards, but are dictated by governmental policy-makers. Whether or not individual governments choose to follow international rulemaking established by the afore-mentioned WP.29 is an individual choice and manufacturers have to face this fact. At the same time, OICA strives towards bringing the various different regulations closer together in a global harmonization effort, considering that even though political frameworks may differ, the challenges of safety or of environment are the same in all countries all over the world.

All manufacturers worldwide are united in their efforts to tackle the challenges facing the transport sector in our modern society, whether in terms of safety, or of environmental protection, or any other issue. At the same time, OICA is keen on the preservation of a sound economy, maintaining free competition and free and open markets. In this respect, OICA strongly advocates policy-making that is technologically neutral, stable and predictable, as recently re-confirmed at its last 2 General Assemblies in October 2010 and 2011.

In OICA views, there are no technology winners or losers especially when it comes to fuel economy improvements and CO2 reduction. A very wide range of technologies are already on the market or are in development stage, from totally new propulsion systems (e.g. hybrids, battery electric vehicles, fuel cells, etc.) to other alternative fuels such as biofuels or gases, without forgetting radical improvements to the current internal combustion engines using gasoline or clean diesel. Depending on the local conditions and societal framework, manufacturers worldwide are faced with the difficult dilemma as to which technology could prevail or complement others - a technology that is valid in one country or region may not necessarily be equally valid in others. And when it comes to sometimes revolutionary new technologies, US manufacturers very clearly have played a prominent role in the past and are continuing to do so, alongside their foreign counterparts.

OICA does not seek government subsidies to promote one or the other technology, but recognizes that an adequate policy framework may help in some cases; as an example among many others, tax reductions or rebates may help in offsetting the additional cost of new technologies such as electric vehicles; however, as time goes by, such subsidies should gradually, but clearly, disappear in order to avoid any distortion of completion.

OICA: Founded in 1919 in Paris, the International Organization of Motor Vehicle manufacturers is made up of 39 members representing key players in the automobile industry around the world. OICA provides expertise in global policymaking forums. OICA's other missions include coordinating the harmonization of vehicle regulations, collecting and consolidating international statistics, providing information on the industry's accomplishments, visions and priorities, and coordinating international motor vehicle exhibitions.

For further information:

www.oica.net

OICA: Yves van der Straaten, Secretary General, + 33 (0)1 43 59 00 13, <u>yvanderstraaten@oica.net</u>